

Farmers' Produce Markets in Ohio

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OHIO
AGRICULTURAL EXPERIMENT STATION
Wooster, Ohio

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CHAS W HAUCK

INTRODUCTION

Interest in the question of farmers' produce markets has long been active. Channels thru which foodstuffs are supplied to consumers have undergone numerous and far-reaching changes, thus reviving public discussion of these markets and their facilities. In every city where such markets have been maintained by the municipality abundant evidence of these frequent changes may be found in the numerous ordinances enacted for the control of the markets.

Some farmers' produce markets are strictly retail, others are strictly wholesale, and still others are both. Some are open thruout the year, others are seasonal. They are of two general types: the municipal market, and the privately-owned market. Some of the private markets are owned and operated by the farmers who sell therein; others are owned and managed by interests other than the growers, the latter merely renting space where they may sell their produce on certain stipulated days and hours. Farmer-owned markets in Ohio are growing in popularity.

About the only markets which have reserved their facilities exclusively or largely for the use of growers are those owned by the growers themselves, altho most municipalities have attempted, with varying success, to bar all except bona fide producers from their wholesale markets. In all others space is rented to growers and dealers indiscriminately.

Each of these markets is of some importance in the distribution of food-stuffs in its community. Wholesale dealers and retailers buy considerable quantities of locally-grown produce in the municipal wholesale markets, practically all of which are located in or near the wholesale produce districts. This is one of the largest sources of supply of this kind of goods in the cities where public wholesale markets are maintained; altho, where farmer-owned wholesale produce markets have been established, they have taken over this function very largely, and are now furnishing the larger part of the local supplies bought by the wholesale trade in those cities and in nearby towns.

In farmer-owned retail markets the bulk of the commodities sold is produced locally, but a great part of the goods sold in city-owned retail markets comes from distant sources and is bought from wholesalers and jobbers. In most of the municipal markets retail dealers predominate, the number of producers being small. Dealers handle not only a larger volume but a larger variety than do producers. Most of these retail markets are located in or near the main shopping districts, altho in cities where two or more retail markets are maintained one or more are located in neighborhood business districts.

TABLE 1.—Farmers' Produce Markets in Ohio, 1928

City	Municipal markets		Farmer-owned markets		Total
	Wholesale	Retail	Retail	Both wholesale and retail	
Akron				1	1
Barberton		1			1
Canton		1			1
Cincinnati	1	4			5
Cleveland	1	3		1	5
Columbus	1	3			4
Dayton		2			2
East Cleveland		1			1
Hamilton		1			1
Lakewood		1			1
Lancaster		1			1
Lima		1			1
Middletown		1			1
Newark			1		1
Piqua		1			1
Portsmouth			1		1
Springfield		1			1
Toledo	1	2			3
Warren			1		1
Youngstown				1	1
Zanesville		1			1
Total	4	25	3	3	35

It has long been realized that the services of a public retail market must be supplemented by services of other food-distributing agencies. Not all of the retail food business of a modern city can be transacted in one nor, for that matter, in any number of public markets, regardless of the favor with which the public may regard this type of food purchasing. Some housewives cannot or will not come to these places to secure their table supplies. The modern grocery serves these households.

Wherever the local market is partly or entirely wholesale, it supplies local groceries with a substantial part of their home-grown produce, thereby serving indirectly a large part of the public which does not buy at the market. The "direct-to-consumer" outlet is not the only means of usefulness of a farmers' produce market; opportunities for wholesaling have often been overlooked.

The principal advantage to the grower which accompanies the wholesaling of produce in a farmers' market as compared with retailing is the saving of time, altho there are also economies in labor and small package expense. Premiums for high quality ordinarily may be secured as readily in one way as in the other. Successful wholesaling, of course, necessitates a fairly large volume of each commodity offered and reasonable uniformity in grade and pack. Not every grower can meet these requirements, nor is every farmer suited temperamentally to this type of selling. A keener type of salesmanship often is needed when selling to wholesale buyers.

The problems of public produce markets have not been subjected to much study by disinterested or unbiased agencies, and much remains to be learned about the factors which determine the success or failure of these enterprises. It is obvious, however, that both the municipal market and the privately-owned market are beset by many hazards, particularly when the buying practices of consumers are undergoing such rapid changes as at present.

Certainly the location of the retail market with respect to the buying public is of paramount importance. Several examples in Ohio may be cited where misguided public spirit or private enterprise has established excellent retail markets with modern facilities, which, because of unfortunate location, have failed. The buying habits of the public unquestionably had much to do with the failure of these undertakings; systems of financing, management, and other internal affairs, tho fundamental, doubtless were of lesser importance.

Location of the wholesale market seems to be of smaller consequence, provided there is a large volume of locally-grown produce. Experience of several such markets in Ohio has been that no permanent decline in trade has accompanied changes in site.

Whether the market be retail or wholesale it cannot escape the influence of the far-reaching developments of the last decade or two—the advent and remarkable increase of chain grocery stores, the improved service and accessibility of neighborhood stores and private markets, the growth of automobile transportation, and the rise of country roadside markets. Improvement of roads and the accompanying growth in automobile and truck ownership have exerted two separate influences on the city market: on the one hand, many former customers have been lured away by the opportunity to secure a wide variety of fresh country produce direct from the producer, while escaping traffic congestion in the market area,

and, on the other hand, the number of farmers who consider it necessary or desirable to "stand market" has materially declined. Some authorities in the United States who have been connected with public markets for years have stated repeatedly that the usefulness of such markets in the distribution of food is waning, and that their economic justification under present conditions is a debatable question.

To be successful a produce market, whether retail or wholesale, private or public, must have definite, material, economic reasons for its existence. Sentiment and public pride in a market are influential factors in its success, but to be permanently successful it must fill an absolute need in its community. Patronage must be continuous. Good-will alone can never take the place of actual dollars and cents in trade. The market must stand on its own feet financially and must render a service to the community more cheaply or more efficiently than other agencies with which it competes.

PART I

FARMER-OWNED MARKETS

The literature dealing with farmers' produce markets in the United States is not extensive. Most of what has been written on the subject has dealt with public or municipal markets; very little has appeared in print regarding those which are owned and operated by the growers who sell thereon. These grower-owned enterprises are of recent development in Ohio. Six now exist in the State, the oldest of which was established in 1916. Some earlier attempts to establish grower-owned markets in Ohio cities have been recorded,¹ but all of these failed.

Farmer-owned produce markets are now operating in Akron, Cleveland, Portsmouth, Warren, and Youngstown, all of which maintain buildings or shelters on land owned by the operating companies or associations. In Newark a produce market is owned jointly by producers and retailers. In Cincinnati an organization of growers maintains a bargaining arrangement whereby their greenhouse products are sold in quantities to the wholesale produce trade in that city. No effort is made to provide a market house or other facilities usually associated with a produce market. The goods are sold by the individual producers at prices agreed upon daily between the trade and the manager of the association, and deliveries are made direct to the buyers. In Toledo a somewhat similar organization of greenhousemen has recently entered into a contract with a Toledo wholesale produce house whereby all of their products are sold collectively on a commission basis and distributed thru the one company. Deliveries are made to the wholesale house, at which all sales are made.

Each of the farmer-owned markets in Ohio was established for the purpose of correcting some condition or set of conditions unsatisfactory to the sellers. The owners are those who sell on these markets, and these sellers pay rental to their own company for the space they occupy. They have readjusted their marketing methods and have taken over certain functions that formerly were performed by others or were not performed at all. In some cases this readjustment has meant the abandonment by the city of all its market activities.

¹J. C. Hedge, "A Proposed Grower-owned Produce Market for Columbus, Ohio," a thesis presented for the degree of Master of Science, Ohio State University, 1929. Much of the material appearing in this section has been adapted from Mr. Hedge's manuscript.

All the existing farmer-owned markets in the State are stock companies rather than cooperative organizations. It is the opinion of most of the growers who own stock in these companies that conditions are greatly improved over those of the earlier municipal markets which they have displaced. These growers are now independent of the municipality and can control their own businesses at will. Changes in city administration no longer threaten to cause changes in the markets against the wishes of the sellers.

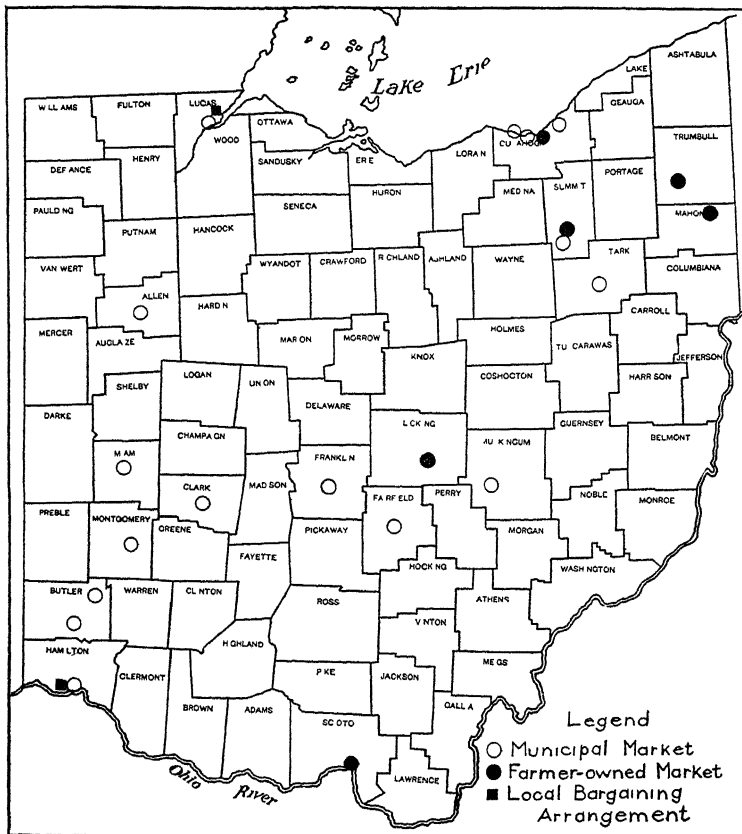


Fig. 1.—Farmers' produce markets in Ohio, 1928

Controversies between the producers and the municipality over problems of traffic, dealer competition, shifts in location, and other matters no longer arise. The growers now have a much improved sense of business freedom; necessary restrictions are easier to bear when self-imposed. Moreover the purchase of stock in these companies generally has proved to be a profitable investment.

In all of these markets the business is partly wholesale and partly retail. In the larger cities it is principally wholesale and in the smaller ones retail, altho this seems to be determined by local custom rather than by the population of the city.

THE AKRON MARKET

After much dissatisfaction with the local market situation and after considerable experimentation continuing over a long period of years, the market growers and truck gardeners in the Akron area organized the Summit Growers Market Company in 1923. Its purpose was to provide a suitable site and facilities for the conduct of a grower-owned produce market in Akron, replacing a municipal market.



Fig. 2.—Commission house and curb market of the Summit Growers Market Company, Akron

A three-acre tract one mile from the main shopping center of Akron and about the same distance from the former market site was purchased and equipped with drives and curbs to provide selling spaces for the growers. Five walks were constructed, each 26 feet wide, 345 feet long, and raised 6 inches; they furnish 386 selling spaces each 8 feet in width. These were later covered with open sheds for protection. Driveways 55 feet wide were laid out between the walks. The entire tract was covered to a depth of one

foot with cinders which were rolled thoroly, thus making a solid, well-drained surface that has endured for six years and is still in excellent condition.

It was thought by some that the change in location and management would cause a serious decline in patronage, but the fear proved to be ungrounded. The number of growers occupying selling spaces at first was about the same as before, and wholesale buyers and consumers continued to patronize the market. The number of growers and the attendance of buyers has increased each year since the new market was established. It has been estimated that 10,000 buyers visit the market some mornings during the height of the season.

In 1923, 220 spaces were rented to growers for the season. In addition between 20 and 30 dealers occupied spaces on one of the walks which was set aside for dealers. In 1928 the number of renters had increased to 260 growers and 39 dealers. Of the remaining spaces not rented for the season between 30 and 50 were rented each market day to transient occupants during the height of the season. All but 15 of the growers who rented spaces for the season were stockholders of the company.

RELATION TO OTHER MARKETS

The Summit Growers Market Company now provides the only curb market in Akron. Another smaller curb market was established by a group of growers who did not approve of the larger venture, but this soon passed out of existence. Likewise a retail curb market that had been conducted by employees of a large manufacturing company was unable to compete against the larger, farmer-owned market and was discontinued. The municipal market also was discontinued.

Akron wholesale and commission produce houses have followed the lead of the growers' market to some extent. Many of them have either rented selling spaces on the market or in an open lot across the street from it, and one of the leading commission houses in the city has erected a substantial building across the street from the market for use as a produce house during the summer.

Practically all of the produce sold by growers in this market originates within 30 miles of Akron. More distant transient growers and dealers are discouraged, altho the offerings of local dealers who occupy spaces regularly may originate anywhere.

This market is a regular source of supply for wholesalers and retailers in Akron and in smaller cities and towns within a radius of 25 or 30 miles.

FACILITIES AND EQUIPMENT

In addition to its covered walks and curb spaces, the Summit Growers Market Company in 1924 erected a brick service building, at a cost of \$12,371.18. This building is 60 feet long and 32 feet wide, contains two stories and a basement, and provides rooms for a restaurant, offices, storage, and toilets.

In 1927 a brick building 60 by 100 ft. and without basement was constructed at a cost of \$36,009.20. The lower floor is used as a wholesale consignment house for the member growers under their own management. The upper floor was designed to accommodate a retail market and was laid off in spaces to be rented to various types of food retailers. This floor is several steps above the level of the sidewalk, has no window display space, and requires artificial illumination much of the time, therefore it has been found difficult to keep the stands occupied. Receipts from rentals have not been sufficient to cover the overhead apportioned to the retail market.

This market building contains a refrigeration plant for the accommodation of the growers' consignment market and the occupants of the retail market. It also contains a freight elevator, office space, and toilet room, and the company's offices have been transferred into it.

MANAGEMENT AND EMPLOYEES

The management of the company is entrusted to a board of seven directors, elected annually by the stockholders. The board hires all employees, decides upon space rentals, fixes opening and closing dates for the market, and determines all other matters of company policy.

A full time general manager is employed to look after the details of the conduct of the market. He has one assistant during market hours. A few day laborers are engaged when needed to clean up the grounds. The city assigns one or two police officers to the market area to direct traffic and maintain order during market hours at no cost to the company.

In the consignment market, which was later established as an additional function of this company, are employed a sales-manager, a book-keeper, two to four salesmen, and a deliveryman.

THE CONSIGNMENT MARKET

Until 1927 the company operated only as an outdoor curb market, renting space to growers and to a few dealers who did their own selling individually. In September of that year another activity was added by the opening of the wholesale consignment market in the lower floor of the newly-erected market house.

The outside market operates only from May to December and the consignment market thruout the year. The purpose of the latter is to provide a sales outlet for those growers who are members of the company and who either prefer not to do their own selling or are unable to dispose of their entire offerings in that way. The consignment market sells growers' produce at 10 percent commission, and in addition buys produce from other sources to supply its customers when local supplies are inadequate. To date it has not been self-supporting.

It was intended that the purchase and resale of produce should constitute only a minor function of the commission house, but this has not proved to be the case. During 1928 the consignment house sold produce valued at \$139,674. The sale of consigned goods totaled \$72,235, or 51.7 percent of the total; and sales of goods bought for resale, \$67,439, or 48.3 percent. Goods often were purchased from sources other than local growers in direct competition with consignments.

One motive for the establishment of the consignment market was to provide a means of assembling truck loads and car loads of local fruits and vegetables for shipment elsewhere during periods of surplus and low prices in Akron. To date this mission has not been fulfilled successfully, partly because the management, in striving to increase the revenues of the house, handled a disproportionate share of goods purchased for resale, on which profits were larger, and shipped out only a small amount of home-grown produce. Only \$4,987, or 3.5 percent of the total amount handled, was received for goods shipped to other markets in 1928. Celery, green beans, and lettuce comprised the bulk of these shipments.

Early in 1929 new management was installed whose avowed purpose was to buy for resale only those products which are not being supplied by member-growers and to ship to other markets larger quantities of home-grown produce in times of over-supply.

SPACES AND RENTALS

To encourage growers to hold stock in the market company stockholders receive a discount on space rentals. At the outset in 1923 the rental for each 8 by 9 ft. selling space was fixed at \$40 for

the season for non-stockholders, \$35 for growers holding one share, \$30 for growers holding two shares, and \$25 for growers holding three shares or more. Dealers were charged \$80 for each 10 by 9 ft. space.

These charges were found not only to be inadequate but also to lend too little encouragement to the stockholders, and were increased gradually until in 1929 the following schedule prevailed: non-stockholders, \$75; holders of one share, \$50; holders of two shares, \$45; and holders of three shares or more, \$40. Dealers' rates were increased to \$200, and their spaces enlarged to 16 by 9 ft. Transient dealers are charged \$10 to \$20 per day, depending on the amount of produce offered and the distance from point of origin. Transient growers pay \$1 to \$2 per day. Approximately one-fourth of the income from space rentals has been derived from dealers.

RULES GOVERNING THE MARKET

Each applicant for space in the curb market must subscribe to the following regulations:

1. No person is permitted to sell without first securing space.
2. No person can grant permission to another person to sell on his space without permission from the manager.
3. There can be no re-renting of spaces by those renting space.
4. Any person producing less than 50 percent of each load of produce offered for sale on the market shall pay dealer's rate for space.
5. Any person offering produce for sale on the market, produced at a greater distance from Akron than 20 miles, shall be placed in the dealer's section and pay dealer's rate for space.
6. Rule 5 shall not be enforced where the person renting space was a stockholder prior to January 1, 1924 and does not violate the provision regarding the percent of each load of produce as prescribed in Rule 4, provided said person pays dealer's rate for space.
7. Exception to Rules 5 and 6 can only be made by order of the Board of Directors. Any person refusing to comply with Rules 4, 5, and 6 shall forfeit all rentals paid and all rights to space on the market.
8. Any person selling produce before the opening signal shall pay a fine of \$5 for the first offense and \$10 for the second offense, and forfeit the right to use his space until fines are paid.
9. Dishonest packing, such as placing inferior or decayed fruit or vegetables in the bottom of containers, or any method of pack or display that tends to deceive the purchaser is a violation of State law, and any person found so doing will be reported to the proper authorities for prosecution.
10. Rentals on the dealer's section of the market shall range from \$10.00 and up per day, and \$200.00 and up per season, to be determined by the manager.

The curb market season opens and closes at the discretion of the board of directors, and extends from May or June to December. This market is held on Tuesday, Thursday, and Saturday mornings of each week, beginning about daylight and continuing until 8 or 9 o'clock. The wholesale house is open all day six days a week.

FINANCIAL HISTORY

The Summit Growers Market Company was organized under the corporation laws of the State of Ohio. Authorized capitalization at the outset was \$75,000, issued in shares bearing a par value of \$100 each. Capitalization was later increased to \$91,000, but not all of this amount has been issued. There are now 842 shares outstanding, held by 338 stockholders. The number of shareholders has not varied greatly in the six years since the company was established.

In order to retain control of the organization exclusively in the hands of growers and to prevent that control from falling into the hands of one or a few stockholders, shares were sold only to market gardeners, farmers, and members of their families, and the amount sold to any one individual was limited to 10 shares. Each stockholder wields one vote regardless of the number of shares held.

The investments in this market property to date are as follows:

Land and improvements	\$66,103.60
Service building	12,371.18
Market building	36,009.20
Sheds	15,721.55
Electrical equipment	1,185.61
Other market equipment	9,744.34
Office furniture and fixtures	1,159.60
Total	<u>\$142,295.08</u>

The net worth of the company at the close of its first season in 1923 was \$71,623.28. By December 21, 1928 this had grown to \$100,178.71, including a surplus of \$16,178.71. A reserve for depreciation amounting to \$6,652.90 had been set aside, making a total reserve, including surplus, of \$22,831.61. Depreciation has been charged at 2 percent annually on buildings, 5 percent on electrical equipment, 7 percent on market sheds, and 10 percent on other equipment, furniture, and fixtures.

Annual dividends were limited at time of organization to 8 percent. A 6 percent dividend has been earned and paid to stockholders each year with the exception of 1923, when no dividend was paid. Over the six-year period of the company's existence earnings averaged 10.4 percent of the capital stock outstanding.

TABLE 2.—Capital Stock, Dividends, and Surplus of the Summit Growers Market Company, 1923-1927

	1923	1924	1925	1926	1927	1928	6-yr. av.
	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>
Capital stock ..	17,300.00	22,200.00	64,400.00	78,300.00	83,500.00	84,000.00	58,283.33
Dividends paid..	1,643.52	1,636.76	7,394.79	5,033.18	3,765.37	.....	3,245.60
Surplus:							
Annual	5,923.28	2,299.66	754.00	4,072.71	5,286.62	-2,157.56	2,696.46
Total.	5,923.28	8,222.94	8,976.94	13,049.65	18,336.27	16,178.71	.....

TABLE 3.—Income and Expenses of the Summit Growers Market Company, 1923-1928

	1923	1924	1925	1926	1927	1928	6-yr. av.
	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>
Income:							
Curb market							
rentals	10,549.50	11,835.41	14,281.00	15,123.39	15,910.50	17,301.00	14,166.80
Other income..	231.79	163.89	785.80	990.04	794.74	17,127.87*	3,349.02
Total	10,781.29	11,999.30	15,066.80	16,113.43	16,705.24	34,428.87	17,515.82
Expenses	7,038.66	5,949.01	6,917.36	7,019.54	9,793.62	31,890.97†	11,434.86
Net gain:							
Amount	3,742.63	6,050.29	8,149.44	9,093.89	6,911.62	2,537.90	6,080.96
Percent of capital invested.	21.6%	27.2%	12.6%	11.6%	8.3%	3.0%	10.4%

*Includes consignment market income of \$15,362.81.

†Includes consignment market operating expenses of \$13,977.33, but does not include depreciation, taxes, or insurance on this department. The consignment market was not self-supporting.

TABLE 4.—Expenses of the Summit Growers Market Company, 1923-1928

	1923	1924	1925	1926	1927	1928	6-yr. av.
	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>
General:							
Depreciation .....	.....	.....	1,113.35	1,153.00	1,164.10	3,222.45	1,108.81
Insurance	47.98	75.37	167.28	25.00	421.70	367.89	184.20
Interest and loan							
charges	2,865.00	1,511.00	900.00	.....	1,692.08	2,385.98	1,529.01
Taxes	1,330.16	1,607.15	1,465.61	1,618.61	2,174.68	3,863.11	2,009.89
Miscellaneous	109.44	26.98	105.77	69.67	31.99	73.00	69.48
Total	4,172.58	3,220.50	3,752.01	2,866.28	5,484.55	9,912.43	4,901.39
Curb market:							
Advertising .....	.....	62.60	.....	55.17	61.20	798.55	162.92
Printing and office							
expense	309.91	50.27	80.74	94.68	202.46	119.12	141.53
Salaries and labor	1,976.56	1,989.25	2,243.75	3,291.11	3,390.41	5,152.55	3,007.27
Miscellaneous	587.61	626.39	840.86	712.30	655.00	1,930.99	892.19
Total	2,866.08	2,728.51	3,165.35	4,153.26	4,309.07	8,001.21	4,203.91
Consignment market:							
Advertising .....	.....	.....	.....	.....	.....	49.24	49.24*
Delivery expense .....	.....	.....	.....	.....	.....	3,438.37	3,438.37*
Printing and office							
expense .....	.....	.....	.....	.....	.....	119.32	119.32*
Salaries and labor .....	.....	.....	.....	.....	.....	9,180.50	9,180.50*
Miscellaneous .....	.....	.....	.....	.....	.....	1,189.90	1,189.90*
Total .....	.....	.....	.....	.....	.....	13,977.33	13,977.33*
Total expenses	7,038.66	5,949.01	6,917.36	7,019.54	9,793.62	31,890.97	11,434.86

*One year only.

THE CLEVELAND MARKET

Since March, 1922 the Cleveland Growers Marketing Company has owned and operated a farmers' produce market in the old Cleveland produce district on Woodland Avenue near Ninth Street. The company is a grower-owned corporation, representing among its membership a large majority of the greenhouse growers in the Cleveland area and also a goodly proportion of the truck gardeners and fruit growers located near that city.

This company is the outgrowth of several earlier attempts by the Cleveland produce growers to establish their own selling organization.² In 1904 the Cleveland Fruit and Vegetable Market Company, a private corporation, was organized to do a general wholesale produce business in Cleveland, selling the products of its members and others. It was not strictly a farmers' market; altho some stock was held by growers, the controlling interest was in the hands of the management.

The Cleveland Fruit and Vegetable Growers' Association was organized in 1911, and as a subsidiary of this association the Cleveland Growers' Market was incorporated as a cooperative marketing enterprise, with 70 produce growers holding stock. Business was transacted in a leased building. Members were not required to market all their produce thru their own company. This market was used by many members as a place to dispose of surplus and off-grade products only, so that regular supplies of uniform quality could not be depended upon. The business was eventually forced into dissolution.

In 1917 a new association was formed, known as the Cleveland Growers Association. It had a membership of about 300 growers. Its object was to champion the cause of these growers, not to market their products. It sponsored several projects designed to improve marketing conditions for the growers in the Cleveland produce market. The activities of the association culminated in the establishment of the present Cleveland Growers Marketing Company in 1921 and 1922.

RELATION TO OTHER MARKETS

Until about June 15, 1929 the Cleveland wholesale produce district occupied the territory in which the Cleveland Growers Marketing Company is located. Upon the opening of a new and modern produce terminal and wholesale district about a mile

²H. A. Dooley, "A Successful Growers' Produce Market", American Produce Grower, January, 1928.

farther east most of the wholesale business was transferred from the section formerly occupied. Many independent producers who previously sold along the curbs near the growers' market have moved to the new site along with the wholesalers and jobbers, and larger and improved facilities for selling from trucks and wagons are being developed by the terminal company. The effect of this transfer upon the growers' market remains to be seen.



Fig. 3.—Commission house and curb market of the Cleveland Growers Marketing Company, Cleveland

One of the city retail markets occupies a location within two blocks of the growers' market, but will doubtless be abandoned in the near future. It lies in the path of the improvements accompanying a new passenger terminal which is in progress of construction.

Most of the produce sold in the growers' market originates within 30 miles of Cleveland, and is sold and distributed to wholesalers and retailers in many cities and towns in northern Ohio by truck buyers who visit the market regularly. Cleveland is the center of one of the leading gardening and greenhouse sections of the United States, and the output of many of the members of this market company is shipped regularly to cities several hundred miles from Cleveland. Both rail and truck figure in this movement, tho trucks alone are used in handling that portion which is sold on the growers' market.

FACILITIES AND EQUIPMENT

This company conducts its business in two departments. A curb market is maintained on a part of its tract where members may rent space for selling their own produce at wholesale or retail, and a wholesale consignment market is conducted in a building adjoining the curb market. Stockholders only are permitted to rent selling spaces on the curb market, but a considerable volume of goods is handled for non-members thru the consignment house.

The tract occupied by the market company comprises 1.75 acres, lying between two streets, with a frontage of 265 feet on each and a depth of 305 feet. The market building occupies 50 feet frontage at one side of the grounds and extends back 200 feet from Woodland Avenue. The remainder of the site is devoted to the curb market and to parking space. About fifty cars, in addition to vendors' trucks, may be parked in the grounds.

The curb market consists of two parallel walks running the entire depth of the property, or 305 feet. Each walk is 26 feet wide, and the driveway between is 60 feet wide. Walks and driveways are all paved with concrete, the walks being raised several inches above the level of the driveways. Selling spaces on the walks are sheltered with steel sheds. The entire grounds are enclosed with a high wire diamond-grid factory fence with gates at both of the driveways.

The building, which the company erected on the property, houses the consignment business, the offices of the organization, toilets, and heating plant. The original building was a one-story brick structure 50 feet wide and 125 feet deep. Later a 50 by 75 ft. two-story brick addition was erected adjoining this in the rear, and the offices were moved to the second floor. Two 1-ton delivery trucks are maintained for the use of the consignment market.

MANAGEMENT AND EMPLOYEES

Direction of the affairs of the Cleveland Growers Marketing Company is entrusted to a board of 15 directors, elected annually. The number of employees in both departments of the business ranges from 25 to 35.

A general manager is responsible for the conduct of the curb market and of the consignment house. The greater part of his time is devoted to the consignment business. The latter requires, in addition to the manager, 6 salesmen, 1 or 2 cashiers, 1 or 2 ticket checkers, 1 shipping clerk, 3 office clerks, 2 night receivers and 2

day receivers to unload and stack produce, 2 truck drivers, 1 janitor, and from 3 to 10 laborers. The curb market furnishes employment for 1 full-time and 2 part-time policemen, and 1 laborer during the period of the winter market.

THE CONSIGNMENT MARKET

The company uses the commission house as a means of selling at wholesale the offerings of members and non-members, taking a commission for this service. It buys goods for resale when local supplies are short, and also handles growers' supplies.

The business transacted by this department steadily increased during the years 1925 to 1928, inclusive, years for which records are available. In 1925 total sales amounted to \$655,448.24; in 1928, to \$1,270,279.07. In 1928 the company handled for members \$938,935.47 worth of produce, or 74 percent of the total. The remaining 26 percent, \$331,343.60, consisted of goods handled for non-members and goods bought for resale. The number of consignors had reached approximately 400 in 1928.

When the consignment business was begun all produce was pooled regardless of quality and returns were made to consignors on the basis of quantity only. This procedure led to dissatisfaction on the part of the growers of high grade produce, and the plan was soon abandoned. Each lot is now identified as an individual lot and is handled, sold, and accounted for separately.

From 1922 to 1925, inclusive, the commissions charged were 8 percent of the gross value of the goods sold for members and 10 percent for non-members. By this method the heaviest selling charges were assessed against the highest priced produce, which was usually of better quality and could be sold most readily; and the lowest charges were made against the off-grade goods, which required greater effort to move. For the purpose of discouraging low grade, low priced offerings the commission charges were changed in 1926 to the following schedule:

Outdoor vegetables and fruits	5 cents per package
Greenhouse vegetables	7 cents per package
Bunched vegetables	8 percent of sale price

These selling charges were assessed alike against members and non-members, except that members received rebates at the conclusion of the 1927 and 1928 seasons (page 22).

Under the method now in force the selling cost to the growers is in inverse proportion to the value of the goods. In 1927 the handling costs of one grower whose produce was of poor quality

and sold for low prices averaged 17 percent of the gross value of the goods; the costs of another whose offerings were of good quality and high priced averaged 3.5 percent. Selling costs to all members averaged 6.9 percent of the gross sales value of outdoor vegetables and fruits, and 5.4 percent of the value of greenhouse vegetables. Prior to the adoption of the present method, costs to the grower averaged 9 percent.

TABLE 5.—Monthly Consignment Market Sales of the Cleveland Growers Marketing Company, 1927 and 1928

	Greenhouse		Outdoor		Total	
	Baskets No.	Sales value Dol.	Baskets No.	Sales value Dol.	Baskets No.	Sales value Dol.
1927						
January.....	12,897	14,237.78	21,762	21,853.31	34,659	36,091.09
February.....	23,535	15,383.21	16,941	10,717.24	40,476	26,100.45
March.....	34,732	22,468.92	19,199	13,927.83	53,931	36,396.75
April.....	24,381	28,152.03	9,215	7,448.83	33,596	35,600.86
May.....	19,396	32,941.93	12,018	11,619.32	31,414	44,561.25
June.....	58,392	86,890.85	34,752	30,436.35	93,144	117,327.20
July.....	190,194	155,608.77	36,466	30,542.85	226,660	186,151.62
August.....	27,412	32,087.30	64,687	47,702.48	92,099	79,789.78
September.....	1,761	703.64	96,251	50,632.18	98,012	51,335.82
October.....	9,873	8,865.24	67,037	33,674.98	76,910	42,540.22
November.....	19,141	20,416.96	33,366	17,857.74	52,507	38,274.70
December.....	25,010	30,480.00	30,435	20,240.00	55,445	50,720.00
Total.....	446,724	448,236.63	442,069	296,653.11	888,793	744,889.74
1928						
January.....	16,449	23,312.86	26,278	16,453.49	42,727	39,766.35
February.....	25,098	18,540.90	20,017	13,027.01	45,115	31,567.91
March.....	47,040	27,415.29	20,075	14,326.50	67,115	41,741.79
April.....	40,167	38,583.52	16,903	13,444.21	57,070	52,027.73
May.....	28,228	50,776.63	22,077	18,794.61	50,305	69,571.24
June.....	104,376	164,221.14	41,420	27,938.49	145,796	192,159.63
July.....	132,850	156,058.17	49,041	32,078.46	181,891	188,136.63
August.....	22,441	16,878.55	105,947	58,343.86	128,388	75,222.41
September.....	331	99.32	81,876	46,187.38	82,207	46,286.70
October.....	5,044	7,828.33	67,054	39,823.71	72,098	47,652.04
November.....	21,773	26,478.00	36,117	23,452.30	57,890	49,930.30
December.....	31,547	40,119.37	32,453	23,337.12	64,000	63,456.49
Total.....	475,344	570,312.08	519,258	327,207.14	994,602	897,519.22

About three-fourths of the greenhouse products sold were shipped to points outside of Cleveland, within a radius of 400 miles. One-fifth of the outdoor vegetables and fruits were shipped to other markets.

SPACES AND RENTALS

The curb market provides a total of 172 selling spaces. Each space is 7 feet wide and 9 feet deep. There are two rows of spaces on each walk, separated by 8 feet in the center of the walk which is kept clear for customers. A part of one of the sheds is equipped

with removable sides for enclosing the walk in the winter. A few growers continue their use of the market thruout the year.

Rentals for curb spaces range from \$85 to \$150 for the season, depending upon location. This rental permits occupancy of a given space from April 1 to November 15. After November 15 a part of the market is enclosed and spaces are rented at \$40 for the season between November 15 and April 1.

Income from space rentals has averaged \$24,431.53 annually, Table 7. This income was quite uniform because all spaces were occupied each year. There was a constant waiting list for spaces to be vacated.

RULES GOVERNING THE MARKET

The consignment market is open for sales every day except Saturday afternoon and Sunday. Growers may make delivery to the house at any time of day or night, but effort is made to have this done during hours when it will not interfere with sales.

The curb market is open from 4 a. m. to noon each Tuesday, Thursday, and Saturday. Growers may occupy their respective selling spaces before the opening hour, but selling is not permitted. Goods may be sold either at retail or at wholesale, but must be sold in unbroken packages. The half-bushel splint basket with one handle is popular in this market.

Sub-letting of curb spaces is not permitted without the consent of the management, and no dealers nor non-members are permitted to occupy spaces.

FINANCIAL HISTORY

The Cleveland Growers Marketing Company was incorporated under the laws of Ohio with an authorized capital stock of \$300,000. Shares bear a par value of \$100 each, and are sold only to bona fide growers in the Cleveland district. Each purchaser is limited to not less than 3 nor more than 10 shares, and receives one vote regardless of the number of shares held. Shares may not be transferred to non-growers, and any stockholder desiring to dispose of his stock must first offer it to the board of directors of the company.

At the time of organization 383 growers subscribed for \$135,700 worth of stock. The maximum amount outstanding at any time was \$136,200. In 1928 the company had 347 stockholders.

Investments in market property by this organization to date are as follows:

Land	\$150,000.00
Market building	15,783.58
Addition to market building	30,393.60
Market stands, including paving, fencing and sheds	50,847.21
Equipment	10,497.50
Total	<u>\$257,521.89</u>

Depreciation is charged at the rate of 2 percent on the building, 7 percent on the paving, fencing, and sheds, and 10 percent on equipment. A total reserve of \$31,114.56 for depreciation had been set aside and a surplus of \$56,472.19 had been accumulated to January 1, 1929, or a total of surplus and depreciation reserve of \$87,586.75.

No dividends were paid the first two years. During each succeeding year until 1928 a cash dividend of 6 percent was paid, and in 1928 this was increased to 8 percent, Table 6.

TABLE 6.—Capital Stock, Dividends, and Surplus of the Cleveland Growers Marketing Company, 1925-1928

	1925	1926	1927	1928	4-yr. av.
	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>
Capital stock:					
Curb market	97,000.00	97,300.00	97,100.00	96,600.00	97,000.00
Consignment market	38,700.00	38,900.00	38,800.00	38,600.00	38,750.00
Consolidated	135,700.00	136,200.00	135,900.00	135,200.00	135,750.00
Dividends paid	8,016.00	8,046.00	8,718.00	10,816.00	8,899.00
Surplus:					
Annual	6,525.25	5,457.98	10,408.71	9,387.80	7,944.93
Total	31,217.70	36,675.68	47,084.39	56,472.19	.....

Stockholders who patronized the consignment house to the extent of offerings of \$1000 worth of produce or more annually received, in addition to cash dividends, a rebated commission of one-half of 1 percent at the end of 1927 and 1½ percent at the end of 1928. No rebates were made to non-stockholders nor to members whose gross offerings were valued at less than \$1000.

A monthly audit is made by certified public accountants and a complete statement of the condition of the business and the transactions of the current month is furnished to each director.

Earnings of the company averaged 12.1 percent of the capital investment during the four years 1925 to 1928, inclusive. The income, expense, and net gain of each department are shown in Table 7.

TABLE 7.—Income and Expenses of the Cleveland Growers Marketing Company, 1925-1928

	1925	1926	1927	1928	4-yr. av.
	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>
Income:					
Curb market.....	24,953.84	24,319.06	24,127.41	24,325.78	24,431.53
Consignment market.....	57,933.09	64,662.24	71,584.05	94,227.44	72,101.70
Total.....	82,886.94	88,981.30	95,711.46	118,553.22	96,533.23
Expenses:					
Curb market.....	15,467.52	18,088.28	16,215.14	15,547.50	16,329.61
Consignment market.....	52,878.17	57,639.04	60,102.91	84,411.92*	63,758.01
Total.....	68,345.69	75,727.32	76,318.05	99,959.42	80,087.62
Net gain:					
Curb market.....					
Amount.....	9,486.33	6,230.78	7,912.27	8,778.28	8,101.92
Percentage of capital investment.....	9.8%	6.4%	8.1%	9.1%	8.4%
Consignment market.....					
Amount.....	5,054.92	7,023.20	11,481.14	9,815.52	8,343.69
Percentage of capital investment.....	13.1%	18.1%	29.6%	25.4%	21.5%
Consolidated.....					
Amount.....	14,541.25	13,253.98	19,393.41	18,593.80	16,445.61
Percentage of capital investment.....	10.7%	9.7%	14.3%	13.8%	12.1%

*Includes rebated commissions of \$13,618.03.

TABLE 8.—Expenses of the Cleveland Growers Marketing Company, 1925-1928

	1925	1926	1927	1928	4-yr. av.
	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>
Curb market:					
Depreciation.....	3,814.87	4,331.62	4,334.09	4,031.61	4,128.05
Insurance.....	91.63	87.42	97.69	96.75	93.37
Interest.....	2,412.15	2,079.61	1,549.57	1,187.01	1,807.09
Office expense.....	79.00	53.35	61.49	103.32	74.29
Salaries and labor.....	2,775.00	3,595.00	3,400.00	4,030.00	3,450.00
Taxes.....	4,539.98	4,783.33	4,294.62	4,168.92	4,446.71
Miscellaneous.....	1,754.89	3,157.95	2,477.68	1,929.89	2,330.10
Total.....	15,467.52	18,088.28	16,215.14	15,547.50	16,329.61
Consignment market:					
Advertising.....	827.67	697.00	1,261.57	1,229.43	1,003.92
Delivery expenses.....	507.73	917.88	934.31	1,079.08	859.75
Depreciation.....	1,406.09	1,412.49	1,413.36	2,036.46	1,567.10
Insurance.....	1,277.86	1,096.57	1,198.01	1,179.37	1,187.95
Interest.....	954.61	885.15	661.49	743.09	811.09
Printing and office.....	1,310.30	1,610.25	1,548.77	1,868.97	1,584.57
Salaries and labor.....	37,524.27	41,176.13	45,057.62	52,428.17	44,046.55
Taxes.....	1,796.89	1,941.10	1,840.55	2,868.00	2,111.63
Miscellaneous.....	7,272.75	7,902.47	6,187.23	7,361.32	7,180.94
Total.....	52,878.17	57,639.04	60,102.91	70,793.89	60,353.50
Total expenses.....	68,345.69	75,727.32	76,318.05	86,341.39	76,683.11

TABLE 9.—Consignment Market Sales of the Cleveland Growers Marketing Company, 1925-1928

	1925	1926	1927	1928	4-yr. av.
	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>
Growers' produce*.....	590,630.68	794,723.11	956,993.75	1,157,104.45	874,863.00
Company produce†.....	71,630.95	25,775.66	37,809.89	78,831.49	53,512.00
Growers' supplies.....	3,186.61	13,924.49	21,969.75	34,343.13	18,355.99
Total sales.....	665,448.24	834,423.26	1,016,773.39	1,270,279.07	946,730.99

*Produce consigned to the Market by producers for sale on commission.

†Produce purchased by the company for resale.

THE NEWARK MARKETS

In the city of Newark are two produce markets, both private enterprises. The city formerly maintained a street market, which was patronized principally by farmers. These vendors desired a covered market place and, about 1910, they abandoned the curb market, and leased and moved into a building which had just been erected. This building is located on Main Street, between Fourth and Fifth Streets, one and one-half blocks west of the Court House and one or two blocks from the leading wholesale and commission houses.

The new market was known as the Farmers' Market. The city had no part in its operation. It was managed by the group of lessees, who were themselves market vendors. This arrangement continued for about six years, during which time this was the only market in the city.

THE PEOPLES MARKET

In 1916 a stock company known as the Peoples Market Company was organized, mainly among the growers and market vendors, for the purpose of erecting and operating a modern produce market house. This organization erected a market house between Second and Third Streets, on the former site of the Ohio Canal, one block south of the Court House and adjacent to the east end of the wholesale produce district. Most of the occupants of the Farmers' Market moved into the new structure.

The Peoples Market building is 410 feet long and 50 feet wide, of brick construction with concrete floor. Brick driveways along each side provide ready access to the market, and each end of the building fronts on a business street of down town Newark. It is one story in height, except the ends, which are two stories high. The second floor is occupied by four apartments, each end containing two. Beneath each apartment is a storeroom, with an entrance to the market that separates them. The rest of the building is occupied by 126 stalls.

Two 7-foot aisles run lengthwise of the building, separating the center stalls from those along the sides. Some of the center stalls are 15 feet deep and extend from one aisle to the other; others are only 7½ feet deep and front on only one aisle. The side stalls are 10 feet deep. There is a basement under the entire building. This is divided into stalls for storage, which may be

rented by the vendors who occupy space in the market. A freight elevator in the center of the building at the south wall connects the main floor with the basement.

The company that owns and operates this market consists of about 30 stockholders; the largest controls about one-fourth of the stock. This property, including site and building, cost \$82,000; the entire amount was raised on the personal security of the stockholders. The enterprise is a profitable one—the receipts from stall rentals have carried all interest charges, taxes, operating expenses, insurance, depreciation, and repairs; paid substantial dividends to the stockholders; and in addition almost retired the indebtedness in 12 years.

The stalls are all occupied and there is a waiting list. About three-fifths of the occupants are farmers and gardeners; the others are retailers of fruits and vegetables and other farm produce. The market is open every Wednesday from 5:30 a. m. until noon and every Saturday from 5:30 a. m. until 10:00 p. m. Saturday markets are usually well patronized; but the Wednesday markets are small, except during berry seasons and in the fall.

Stall rentals range from 80 cents to \$4.80 a week, depending on the size of the space. Location within the market house has nothing to do with the rental price. The enclosed storage spaces in the basement rent for \$1.25 a month. All vendors pay at the same rate for equivalent amounts of space regardless of whether they are stockholders or not. Collection of stall rentals is made by the market master each Saturday.

To prevent vacancies in the market, the company has found it advisable if a stand is unoccupied for three weeks in succession to declare it vacant and assign it to a new renter. A vendor is not permitted to abandon his stand temporarily even tho he should be willing to pay rental for it to hold it during his absence. A stand renter cannot sublet nor sell his space to another.

Home-grown produce makes up a substantial part of the offerings on this market during certain seasons, but at all times the market has a large supply of shipped fruits and vegetables. Meats and bakery goods also comprise a large part of the sales.

The following regulations apply in this market:

1. The market shall open at 5:30 a. m. and close at 10 p. m. on full market days, and close at 12 p. m. on half days.
2. Since all market stands are owned by the Peoples Market Company no stand renter shall have the right to subrent or sell a stand or business location in said Market.
3. No stand or stall shall be closed or locked during market hours without permission from the Market Master.
4. All applications for stalls or stands shall be made to the Market Master and all assignments of stalls and stands shall be made by him.
5. All rental for stands or stalls shall be paid to the Market Master each market day and any person failing to pay said rental for three consecutive market days shall forfeit all rights to occupy or rent said stand or stall and the same may be declared vacant by the Market Master.
6. No person or persons shall place any box, benches or other obstacles in aisles of the Market house during market hours or address or collect together in any part of the market house any crowd or public meeting without first getting permission from the Market Master.
7. All occupants and renters of stalls or stands must keep them in sanitary condition, leaving no decayed vegetables, meat or any other kind of scraps or rubbish in or about said stands or stalls or in or about said Market House.
8. No person shall block or obstruct in any way any of the doorways of said market house.
9. No loud talk or crying of sales shall be permitted from any stall or stand renter.
10. No vegetables or fruits shall be sold from meat stands or stalls.
11. No fresh meat shall be sold in said market house except in the stalls and stands that are designated as the meat department by the Board of Directors and specially equipped as meat stalls. Provided however, that dressed poultry may be sold from other stalls and stands so long as the rules of the Board of Health are complied with.
12. This company reserves the right to sub-let any stall, stand or bench being used at the time for sales.
13. All stall and stand renters are requested to cooperate to enforce all the rules of the Board of Health pertaining to public market.
14. Any person or persons renting any stall, stand or bench violating any of the foregoing rules shall forfeit all right to occupy or rent said stall, stand or bench.

THE CITY MARKET

What was formerly the Farmers' Market has been known as the City Market since January 1, 1927, at which time the lease changed hands. This market was reduced to about one-half its former size at the time most of the renters left to form the Peoples Market, and now it occupies a storeroom about 40 feet wide and 100 feet deep. The front, with the exception of aisles in front of the two entrances, is filled with three permanent stands, one a grocery store, another a restaurant, and the third a fruit and vegetable stand. These three are open for business six days a week.

The rear two-thirds of the store-room contains ten stands which are rented to vendors of produce, mostly farmers. These stands are occupied on Saturdays and sometimes on Wednesdays, altho the renters are permitted to occupy them at all times if they choose. The stands vary in size from 6 to 10 feet in length by about 6 feet in depth, and rent for \$5 to \$8 a month.

The three stand owners in the front of the building are joint lessees of the building. They have one employee who acts as manager of the market, collects rentals from the occupants of the rear stands, and transacts business in any of the permanent stands whenever the owner is absent. This market is said to do a good business on Saturdays, but the mid-week business is small.

THE PORTSMOUTH MARKET

The Scioto Growers Market Company was organized in 1925 for the purpose of conducting a grower-owned retail produce market in Portsmouth. Its membership consists of 25 farmers and truck gardeners in the Portsmouth area. Since August 15, 1925, the company has owned and operated a small market in a narrow frame building extending from Gallia Street to Seventh Street, several blocks east of the principal shopping district. This market is commonly known from its location as the Gallia Market.

The company was capitalized at \$50,000, approximately \$20,000 of which is outstanding. The outstanding capital was subscribed at the outset, and practically the entire revenues from the sale of stock were employed to purchase the site. With the exception of about \$400, funds for the erection of the building were provided by an assessment against each stockholder for an amount sufficient to construct one stall or selling space. The first unit of the building was erected at a cost of \$32.55 per stall; a later addition cost \$36.15 per stall.

The building is a temporary frame structure, one story high, 20 feet wide and 185 feet long. It occupies the center of a site 40 feet wide and 213 feet long. No parking space for vendors' trucks or customers' cars is available except along the curbs of adjacent streets.

The market contains two rows of stalls or booths, each 5 feet deep with 8 feet frontage on a center aisle. The aisle is 10 feet wide and extends from one end of the building to the other. Some of the growers occupy more than one stall, and two stalls are occupied by a retail meat dealer, the only non-member to whom space is rented. The total number of stalls is about 40.

Growers pay the company a rental of \$50 a year for each stall occupied. The meat dealer pays \$25 a month for two stalls. Revenues of the market company consist entirely of stall rentals, and no attempt is made to do any selling or to render any other form of service to the membership. Each grower sells his own produce individually. The market is entirely retail and was established to replace the municipal retail curb market formerly conducted by the city of Portsmouth. Upon the opening of the growers' market the municipal market was discontinued.

The market continues thruout the year and is open each Tuesday, Thursday, and Saturday. On Tuesday and Thursday the market is open from about 2 p. m. to 9 or 10 p. m., and on Saturday from 8:30 a. m. to 10:30 p. m. During the winter the Tuesday and Thursday markets are not well attended.

The conduct of this enterprise is placed in the hands of the board of directors of the company. A market manager is elected annually and serves without pay. The rules governing the market are as follows:

Opening time: Saturday at 8:30 a. m.
Tuesday and Thursday at 2:30 p. m.
Closing time: Saturday bell at 10; light out at 10:30 p. m.
Tuesday and Thursday bell at 9; light out at 9:30 p. m.

Manager of market has right to vary opening and closing hours if seen fit.

All booths must be kept in a clean, sanitary condition.

All perishable goods, such as meats, unwrapped bread, salads, etc. must be kept under glass or screen, according to Pure Food Law.

All goods sold must be represented as to its true identity.

All goods sold must be of standard quality.

All stockholders must grow one-half of his produce.

Market manager has full authority to enforce rules.

Violators of rules will be fined according to the decision of the Board of Directors.

By Order of
The Board of Directors

No dividends were paid to the stockholders the first year of operation of this market, but at the close of the second year a cash dividend of 3 percent was paid and at the close of the third year a cash dividend of 7 percent.

THE WARREN MARKET

The city of Warren, Ohio, has one growers' market, almost entirely retail, which is operated by the Warren Market Growers' Association, Inc. This association was organized in January, 1928, and has a membership of 50 growers. Each member purchased one share of stock for \$100. The fund of \$5,000 thus provided was used to erect a market building. No one member may own more than one share of stock.

The building is located on a site a few blocks from the main business section of the city. The site is leased for 10 years, and there is ample space for expansion of the market, if expansion become advisable.

The building is of frame construction with slag floor. It was not designed for protection against cold weather, since this market is used only from May to November or December. The building is 300 feet long by 34 feet wide, and contains 60 stalls, 30 on each side of a central aisle. The aisle is 14 feet wide and runs the entire length of the building. The stalls are 9 feet wide and 10 feet deep. Each of the 50 members occupies one stall, for which he paid a rental of \$10 for the first year, this charge being increased to \$30 for the second year. The remaining 10 stalls are reserved for transient growers who may wish to sell on the market without becoming members of the organization. During the months of May, June, and July these transient stalls are rented for \$1.50 per day, and during August, September, and October for \$2.00 per day.

One end of the building contains a small office room, two toilet rooms, and a room equipped for killing and dressing poultry. Above these rooms is a storage space, used for storing baskets, which are bought by the association and sold to members at cost.

Operating expenses of this market have been estimated at \$2,000 a year, including ground rent, insurance, water rent, and salaries of market master and secretary-treasurer. The assured income from rentals during the first year was \$10 from each of the 50 members, or \$500. All current expenditures in excess of receipts from rentals were met by assessments. The income from rental of the extra stalls to transients in 1928, the first year of operation, was found to be too small to make up the deficiency

between expenses and rentals from members, and it became necessary to increase the rental to \$30 a year per member. No changes were made in rentals for transient stalls. Probably less objection will arise to a rental charge of sufficient size to guarantee all running expenses than to frequent small assessments.

No dealers are permitted to sell in this market. Produce offered is all home-grown, and all vendors are bona fide producers. The market is open each Tuesday and Thursday from 6 a. m. to 4 p. m., and each Saturday from 6 a. m. to 9 p. m.

The city of Warren has a population of 43,000, largely industrial, and with a large foreign element. Patronage of the market has been fairly good, especially on Saturdays; familiarity of the public with this method of buying produce thru the markets held in previous years and the location of the new market on the old site, doubtless have been advantageous.

THE YOUNGSTOWN MARKET

The Growers Market Company of Youngstown was organized in 1917 among the farmers and market gardeners in the Youngstown area. Its purpose was to provide a market place in Youngstown wherein its members could offer their produce for sale under conditions controlled by themselves. During many years of selling on the municipal curb markets considerable dissatisfaction had developed among the growers, and the establishment of a grower-owned market was the outcome. It represented a concerted effort to escape from the controversies that arose periodically in connection with the city markets.

From 1917 to 1925, inclusive, this company operated an open-air market on a narrow site on the north side of Woodland Avenue, several blocks south of the principal shopping section of the city and more than one-half mile from the location of the city curb market previously patronized by these growers. This land was leased by the company and was not altogether suitable as a permanent market site, hence no buildings nor other fixed improvements were erected.

In 1926 the grower-owned market was moved to a much larger and better site on Pyatt Street, one-half mile from the center of the city, where it was established as a permanent enterprise on land owned by the company. This site was graded and walks and selling spaces were paved with concrete. Permanent steel sheds were erected over the selling spaces and a substantial building of concrete, steel, and brick was constructed. The company intends to maintain its market here indefinitely.

This market is strictly of a curb or stall type. Each vendor sells his own offerings in the space allotted to him. The company's revenues are derived solely from the rental of selling spaces, not from the sale of goods for commissions nor of goods bought for resale. No effort is made to control prices, quality, quantity, or pack of goods offered by individual sellers, nor to furnish market information or other services.

RELATION TO OTHER MARKETS

From 1917 until its abandonment in 1928 the municipal curb market was in competition with the Growers Market Company. The municipality owned the market site but it was leased out to private interests. So long as the growers' market was conducted as an open-air market without shelter the city market furnished telling competition; but the city market was discontinued within three years after the market company provided desirable and well-protected selling spaces with adequate parking grounds.



Fig. 4.—Curb market of the Growers Market Company, Youngstown

In 1927 one of the former lessees of the city market established a private market with 75 selling spaces for growers and dealers on a lot a few blocks from the city market site. This private enterprise has been well patronized since its establishment. Data are not available to indicate whether its patronage is increasing or declining.

The growers' market receives most of its supplies from the territory adjacent to Youngstown, tho occasional truck-loads of produce are brought from more distant points to sell on this market. Little effort is made to discourage distant offerings. The greater part of these supplies are consumed in Youngstown. Numerous smaller cities and towns within a radius of 40 or 50 miles from Youngstown are supplied regularly by truck buyers who purchase goods on this market and resell to wholesalers and retailers. In periods of surplus a few truck loads go to even more distant points.

FACILITIES AND EQUIPMENT

The present location of the growers' market is divided into two tracts by Pyatt Street which extends east and west thru the site and connects with Market Street one block west of the market. Market Street is the main traffic artery south from the leading shopping district of the city.

The tract on the south side of the intersecting street is laid out as a curb market. It is 160 feet wide by 656 feet long, and contains two walks, each 24 feet wide running the entire length of the tract, parallel to Pyatt Street. The walks are separated by a driveway 55 feet wide; and a driveway 40 feet wide adjoins the southern walk thruout its length on the south side. These driveways, together with the curb along Pyatt Street, provide parking space for sellers' trucks. Abundant space for buyers' vehicles is provided in the tract on the north side of the intersecting street.

Selling spaces are laid out on both sides of each covered walk. Each space is 8 feet wide and 8 feet deep on the walk. The trucks back up to the curb and extend into the driveways or street not to exceed 24 feet. There are 82 spaces on each side of each walk, or a total of 328 selling spaces.

The tract north of Pyatt Street is about 120 feet wide by 500 feet long. In 1927 a market house was erected on this site for use as a protected retail and wholesale market during the winter months. The building is of concrete, steel, and brick and is 40 by 120 feet, and contains a basement and one story above ground. The main floor provides 30 to 35 selling spaces, each 6 feet wide by 15 feet deep, and a combined office and confectionery stand. The 9-foot basement contains a heating plant, toilets, and temporary storage for fruits and vegetables and containers. A concrete walk extends entirely around the building. This structure serves as a market house during cold weather and as a storage warehouse in the outdoor market season.

MANAGEMENT AND EMPLOYEES

The Growers Market Company is managed by a board of nine directors elected annually by the stockholders. A general manager is employed on a part-time basis to supervise the market, to collect space rentals, and to enforce rules and regulations made by the company. During the winter months a helper is employed in the market house. During the months when the curb market is operating, some unskilled labor is engaged when needed to keep the market grounds clean. Two or three policemen are stationed at the market to direct traffic and maintain order during market hours.

SPACES AND RENTALS

Each selling space on the curb market rents for \$100 for the season, or from May to December. Until 1929 the monthly rental was \$25 per space and the daily rental \$1 to \$2 per space. In an effort to discourage short term rentals the monthly rate was increased in 1929 to \$30 and the daily rate to \$2 for each passenger car, \$3 for each small truck, and \$5 for each large truck. No distinction is made between dealers and growers, nor between members and non-members.

Rentals for spaces within the market house were established the first year at \$50 each for the season, or from December to May. This was increased in 1928 to \$80. Monthly rates are \$25 for the first month, \$20 each for the second and third months, and \$10 a month thereafter.

The number of spaces rented for the season has increased each year since the establishment of the market in its present location. In 1926, 104 curb spaces were rented for the entire season; 128 in 1927; and 146 in 1928. About one-half dozen dealers now sell regularly on this market; the rest are growers. Daily rentals range from 8 or 10 per month at the beginning and end of the outdoor season to more than 100 per month at the height of the season.

RULES GOVERNING THE MARKET

During the period of occupancy of the Woodland Avenue site, the growers' market was conducted as a morning market on Tuesday, Thursday, and Saturday of each week thruout the spring, summer, and fall. In August, 1926, coincident with removal to the present location, an evening curb market on Monday, Wednesday, and Friday was added, continuing from 4 p. m. to 11 p. m. No

regular hours were established for the morning market on Tuesday, Thursday, and Saturday, but the selling may start at any time. It usually is completed by the middle of the morning.

When the market is being conducted indoors, the market house is open for business six days each week at 8 a. m. On Monday, Wednesday, and Friday the closing hour is 10:30 p. m.; on Tuesday, Thursday, and Saturday it is 5 p. m.

The evening curb market is largely retail; the morning market, principally wholesale. The evening outdoor market appears to be very popular with the public, despite its recent origin and lack of precedent. All classes of consumers are represented, and during the height of the season several thousand buyers visit it in the course of a single evening. Patronage of both morning and evening markets is said to be increasing.

FINANCIAL HISTORY

The Growers Market Company was incorporated in 1917 under the general corporation laws of the State of Ohio with a capital stock of \$10,000. Shares bear a par value of \$50 each. In 1925 the company's capitalization was increased to \$100,000 and in 1927 it was increased to \$150,000.

At the outset in 1917 the company consisted of 21 growers, each having purchased one share of stock, and no effort was made to increase the membership until 1925. In that year the membership was enlarged to 105, in 1926 to 122, in 1927 to 126, and in 1928 to 140. No stated limit is placed on the number of shares that may be held by one stockholder, and the control has always been exercised by a small group of members who own a majority of the stock.

In 1918 each stockholder received free space rental as dividend from the earnings of the company. Earnings were derived solely from rental of selling spaces during 1917. Dividends since that time have been distributed as follows:

1920.....	Cash	\$ 2,000.00
1924.....	Stock	20,000.00
1927.....	Cash	13,990.00
1928.....	Cash	9,659.50

Earnings have averaged 5.9 percent of the capital investment in the three years since the present market was established, and dividends have been paid partly from the surplus accumulated prior to 1926. Depreciation reserve of \$3,213.99 on market sheds

TABLE 10.—Capital Stock, Dividends and Surplus, Income and Expenses of The Growers Market Company, 1922-1928

	1922	1923	1924	1925	1926	1927	1928	7-yr. av.
Capital stock.....	\$10,000.00	\$10,000.00	\$53,050.00	\$84,150.00	\$98,850.00	\$100,000.00	\$137,850.00	.....
Dividends (cash).....	2,000.00*					13,990.00	9,659.50	.....
Surplus:								
Annual.....	-644.71	1,028.06	664.83	2,224.10	4,059.13	-6,118.61	-2,726.07	.....
Total surplus.....	3,936.09	4,991.15	5,655.98	7,880.08	11,939.21	5,820.60	3,094.53	.....
Income:								
Curb market rentals.....	2,575.75	2,274.10	2,063.75	4,127.00	11,881.97	15,639.04†	20,512.70‡	.....
Other income.....	105.01	110.85	52.48	113.12	460.22	36.23	1.29	.....
Total income.....	2,680.76	2,384.95	2,116.23	4,240.12	12,342.19	15,675.27	20,513.99	.....
Net gain:								
Amount.....	1,355.29	1,028.06	664.83	2,224.13	4,059.13	8,107.72	7,890.18	.....
Percent of capital invoice.....	13.5%	10.3%	1.2%	2.6%	4.1%	8.1%	5.7%	.....
Expenses:								
Advertising.....	8.00		9.60	246.40	248.30	148.33		94.38
Depreciation.....	50.00	50.00	50.00	50.00	125.00		3,213.99	505.57
Insurance.....					244.28	335.04	315.10	127.77
Interest.....					15.32	1,159.00	258.37	204.67
Printing and office expense.....	33.00	38.68	44.25	35.00	70.50	38.57	62.25	46.03
Salaries and labor.....	400.00	400.00	400.00	655.00	3,473.00	2,594.20	2,927.70	1,549.99
Taxes†.....	144.14	161.04	173.96	208.25	752.61	1,009.70	2,570.27	717.14
Miscellaneous.....	690.33	707.17	773.59	821.37	3,354.05	2,282.71	3,276.13	1,700.77
Total expenses.....	1,325.47	1,356.89	1,451.40	2,016.02	8,283.06	7,567.55	12,623.81	4,946.32

*As of 1920.

†Includes returns from the market house of \$1600 in 1927 and \$1800 in 1928.

‡Exclusive of income tax.

and market buildings was set aside in 1928. Because of the encroachment on surplus, depreciation was not accrued on these improvements for 1926 and 1927.

Investments in market property by this company to December 31, 1928 were as follows:

Land, including \$20,000 appreciation	\$ 64,757.14
Concrete walks, @ 19½¢ per sq. ft.	6,140.16
Steel sheds	20,580.00
Market building	32,000.00
Paving around market building	500.00
Total	<u>\$123,977.30</u>

PART II

MARKETING OF GREENHOUSE VEGETABLES IN CINCINNATI AND TOLEDO

CINCINNATI

The Hamilton County Vegetable Growers' Association, Inc., was organized in December, 1918. This organization, of about 100 growers of greenhouse vegetables in and near Cincinnati, includes in its membership 95 percent of the greenhouse vegetable growers in Hamilton County, with a total of 47 acres under glass. The membership represents about one-half of all the truck crops, except field-grown tomatoes, grown in the county.

The principal crops grown under glass by members of this association are lettuce, tomatoes, and cucumbers. All other vegetables suited to this climate are grown out of doors in season. The glassed area is devoted to leaf lettuce until about the middle of April and from then until August it is divided about equally between tomatoes and cucumbers. The tomatoes are practically all harvested and sold by August 1, but cucumbers continue a little longer. The peak of production comes in June. In that month the value of the vegetables sold by the members of this organization averaged more than one-fifth of the total for the year. The value of sales by months during the years 1922 to 1928, inclusive, averaged as follows:

Percentage of annual sales		Percentage of annual sales	
January	5.3	July	14.1
February	6.0	August	3.6
March	8.5	September	2.9
April	12.5	October	3.7
May	13.0	November	4.9
June	20.2	December	5.3
		Total	100

The association buys supplies cooperatively, but each member sells individually to commission and wholesale merchants and to retailers. The organization owns no market property. For the last 9 or 10 years a manager has been employed who, among other duties, is charged with ascertaining the prices prevailing on the Cincinnati wholesale produce market each day for all the commodities offered by the association. He does no selling. By can-

vassing the membership and the trade he is able to keep informed about current supplies and to estimate the quantity of local offerings expected in the immediate future. Prices are reported daily to the members and deliveries to dealers are made at the agreed prices.

The value of the vegetables sold annually by the members of this association has not changed greatly in recent years. The bulk of the output of these growers is sold and delivered direct to dealers. About 35 of the members patronize the municipal wholesale market.

The association has been rather successful in standardizing the pack of the vegetables. Members who fail to conform to the grading rules or sell at prices other than those agreed upon by the manager and the trade are subject to a system of penalties, and continued violations culminate in expulsion.

The following schedule of grades and weights is in effect:

Leaf Lettuce—Hothouse Lettuce to be packed in new packages. Lettuce to be packed according to dry pack method, 43 pounds to a barrel when weather conditions are favorable. In rainy weather you should pack 44 to 45 pounds, as Lettuce will absorb less water in rainy weather. Leaf Lettuce, in 10 pound baskets, should be packed 8½ pounds dry to the basket. All Lettuce should be cut on day of delivery. Wash the Lettuce with your own best method. All Lettuce to be washed in clean, cold water.

Cucumbers—Grade No. 1 shall be from 10 to 13 dozen to a barrel, of good color and quality. Grade No. 2 shall be from 12 to 15 dozen to a barrel, and of good color.

Tomatoes—Tomatoes shall be sold by the pound and packed in new crates, labeled Greenhouse or Field Tomatoes. Each basket of Tomatoes to weigh 6½ pounds, including basket, when packed. Grade No. 1 shall be 2 inches or more in diameter; smooth, sound, and of good form. Grade No. 2 shall not be smaller than 1½ inches in diameter; smooth, sound, and of good form.

Radishes—Radishes shall be bunched 3 to 5 in a bunch. Sticks and pithy ones to be thrown out.

Carrots and Red Beets—Shall be bunched 3 to 5 to the bunch.

Green Onions—Shall be bunched 3 to 5 to the bunch.

Cauliflower—Cauliflower shall be graded in 3 grades. Fancy, 2 dozen solid white to a barrel. Grade No. 1 shall run 3 dozen, with leaves cut to proper size, to a barrel. Flower to be white and free from blemishes. Grade No. 2 shall run from 3½ to 4½ dozen, with leaves, to a barrel.

Eggplants—Grade No. 1 shall run 5 dozen to the barrel, with good color. Grade No. 2 shall run 6 to 8 dozen to the barrel.

Head Lettuce shall be packed in bushel baskets. Grade No 1—2 dozen heads per basket, and to be sound heads. Grade No. 2—30 to 36 heads per basket.

Spinach—Spinach should be packed in bushel baskets. All Spinach packed for shipping should weigh 16 pounds, including basket. Spring Spinach should be washed and Fall Spinach should be packed dry.

Membership in the Hamilton County Vegetable Growers' Association, Inc., is limited to bona fide growers. A board of 11 directors, elected annually, determines policies of the organization and employs the manager. Membership dues of \$2 a year are paid by each member, and assessments are made in amounts necessary to defray the expenses of the association. Expenses include the salary and expenses of the manager and compensation to officers of the association.

TOLEDO

In October, 1928 the Toledo Hothouse Cooperative Association, whose membership represents about 80 acres under glass, or practically all of the greenhouse area in the Toledo district, entered into a contract with a Toledo commission house to sell all of the output of its members. This firm previously had handled about one-half of the vegetables produced by these growers, the rest being distributed among several members of the wholesale trade in Toledo. Prior to the drawing of the contract each grower had sold his own produce individually. Altho the association had been in existence for several years prior to 1928, it had made no effort to enter into the marketing of the vegetables grown by its members.

The customary charge by Toledo commission houses is 10 percent of the selling price. By consolidation of the entire greenhouse production in the hands of one dealer the growers were able to secure a commission charge of 7 percent. Whether this selling charge is properly adjusted to satisfy the growers and the dealer remains to be seen.

Each member packs his own vegetables and delivers them to the dealer, who maintains a large warehouse and office in the wholesale produce district. All sales and distributions to buyers are made from this warehouse. All costs after delivery is made to the warehouse are borne by the dealer.

This marketing venture is too recent to furnish any definite information about its success, other than the continued enthusiasm of the growers after nine months of operation under the new plan.

PART III

MUNICIPAL MARKETS

Public municipal markets for the sale of food-stuffs and farm produce were maintained by 21 cities in Ohio in 1924, and by 16 in 1928. These cities range in size from 16,000 in Piqua and in Lancaster to 960,000 in Cleveland.

Most of these are retail markets. Some cities, particularly the larger ones, provide both retail and wholesale selling sites. The retail markets are open to all classes of vendors on an equal plane; the wholesale markets are either confined exclusively to growers or provide some easy means of differentiation between dealers and producers. This usually is accomplished by locating the dealers in one part of the market and the growers in another.

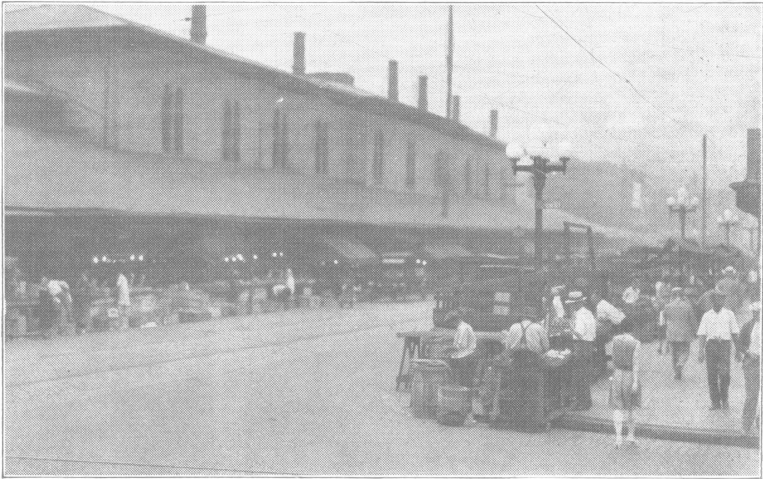


Fig. 5.—Central Market House and Municipal Curb Market, Columbus

Records of the volume of goods handled in these market places are meager. It is impossible, therefore, to measure by this means the trend of business transacted in any of them over a period of years. In Columbus and in Cincinnati a start has been made in this direction,³ however, and if continuous records are compiled in

³The Ohio Bureau of Markets has been compiling records of truck receipts in the Columbus Producers' Wholesale Market since July 2, 1928. Similar records, beginning January 1, 1929, are being assembled in the Cincinnati Producers' Market by the U. S. Bureau of Agricultural Economics and the Municipal Division of Markets. Records of Columbus receipts for the six months, July 2 to December 31, 1928 are available in Mimeograph Bulletin No. 16 of the Rural Economics Department of the Ohio Agricultural Experiment Station, entitled "Produce Receipts by Truck on the Columbus Wholesale Market, July 2 to December 31, 1928."

these wholesale markets in the future some valuable information eventually will be available. It is hoped that the compilation of similar records in other important markets will be undertaken soon.

Lack of dependable information is responsible for many mistakes in the establishment and management of public produce markets. Doubtless many failures of these enterprises in the past could have been avoided had those responsible for the market known more definitely and more promptly what tendencies were developing, and what results had followed similar experiences elsewhere.

REVENUES

Most of the 16 Ohio cities which still conduct municipal markets report revenues greater than expenditures in connection with this activity. In 1928 only 2 of the 16 reported net losses on their market enterprises. These losses in Middletown were \$350 and in Lima \$154.76, Table 11.

TABLE 11.—Net Revenues From Municipal Produce Markets in Ohio, 1924-1928*

City	Population 1920	Net revenues				
		1924	1925	1926	1927	1928
		<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>
Akron.....	208,000	16,377.23	17,123.16	17,125.48	699.44	.....
Barberton.....	19,000	4.92	19.13	131.92	100.21	100.87
Canton.....	87,000	839.15	2,373.86	2,693.29	3,175.95	1,434.16
Cincinnati.....	401,000	2,402.90	1,509.47	\$ 1,217.66	1,217.66	3,032.70
Cleveland.....	797,000	88,579.37	68,994.90	89,433.56	82,106.93	68,743.60
Columbus.....	237,000	16,151.54	18,047.60	17,900.83	15,299.41	16,476.95
Dayton.....	153,000	32,871.05	34,642.58	30,542.45	30,501.74	32,123.01
East Cleveland.....	27,000	755.00	870.00	1,025.00	1,159.00	1,297.00
Hamilton.....	40,000	.....†	1,066.00	1,002.00	957.75	952.00
Lakewood.....	42,000	17.00	690.00	700.00	760.00	710.00
Lancaster.....	15,000	499.12	199.94	456.60	151.10	1,089.45
Lima.....	41,000	1,093.18	398.40	244.33‡	1,215.85‡	154.76‡
Middletown.....	24,000	364.00‡	376.00‡	366.00‡	357.00‡	350.00‡
Norwood.....	25,000	903.19	1,217.39	.....	.....	.....
Piqua.....	15,000	1,345.36	1,393.02	1,150.76	803.35	673.72
Portsmouth.....	33,000	634.10	.....	.....	.....	.....
Sandusky.....	23,000	.....	73.54‡	.....	.....	.....
Sidney.....	9,000	274.78	248.26	226.05	237.30	.....
Springfield.....	61,000	13,076.80	10,677.09	11,860.77	12,699.71	11,962.97
Toledo.....	243,000	7,832.20	19,435.11	14,631.21	5,189.32	12,461.72
Troy.....	7,000	48.00	.....	.....	.....	.....
Zanesville.....	30,000	3,149.57	3,602.40	3,819.14	4,165.53	5,023.92

*As reported to the Ohio State Bureau of Inspection and Supervision of Public Offices.

†No revenues—free market prior to 1925.

‡Net cost.

§Report missing.

These figures represent only the difference between receipts and disbursements. The receipts were largely revenue from rents and the disbursements all expense in connection with the operation of the markets, namely, officers and employees, fuel and light, cleaning markets and repairs. In them no provision was made for

depreciation of property and equipment nor for taxes on the property—these public properties, being owned by the cities, are of course exempt from taxes. Had these three items been deducted from the gross revenues, as they would have had to be under private management, it is obvious that the net gain would have been correspondingly reduced. In most cases it would be replaced with a loss.

The situation in Columbus will serve as an illustration. This city maintains three retail produce market houses, intended for growers and dealers alike, and one wholesale curb market intended for the use of bona fide producers only. Funds for operating these markets are provided in the city budget, but the revenues from rent of stands have always been more than sufficient to offset the expense of operation. During the 13 years 1916 to 1928, inclusive, the net income to the city averaged approximately \$17,000 a year. That is the difference between receipts and disbursements, and by many is considered as a profit to the city.



Fig. 6.—Retail purchases constitute a considerable part of the business in most curb markets

It must be remembered, however, that no account has been taken of depreciation, interest, or taxes. Approved methods of accounting would dictate that 2 percent of the value of the buildings be set aside each year to provide for replacement when the present structures become antiquated. In other words, it is

assumed that a building of this sort will become out-of-date and require replacement in 50 years from the time of construction. The three market houses in Columbus are now, respectively, 79, 51, and 41 years old. All are badly in need of thoro remodeling or reconstruction, yet no provision has ever been made for financing replacement. The present valuation of these buildings is \$110,570. Two percent of this amount is \$2,211.40, which, if set aside as a reserve for depreciation each year, should be deducted from the annual receipts.



Fig. 7.—Municipal Producers' Wholesale Curb Market
in Columbus

Records dating back to 1830 show that, beginning with the acquisition of the Central Market House site in 1847, 12 bond issues and loans aggregating \$265,500 have been made by the city of Columbus for market purposes. Prior to 1875 records are fragmentary; consequently this figure may fall somewhat short of the actual total investment that Columbus citizens have made in municipal market property. These bonds were issued at interest rates varying from 4 to 8 percent. Recent issues were made at the rate of 5 percent. At 5 percent, the interest on \$266,500 is \$13,325 annually, which also should be deducted from receipts. True enough, some of these issues have been retired wholly and others partially, not from market receipts alone but partly from funds derived from taxation.

The two items, depreciation and interest, aggregated \$15,536.40 a year, leaving a net income of \$1,633.20. This amount was all that the city of Columbus was gaining annually from its market operations with which to retire its market indebtedness, and, therefore, cannot fairly be treated as profit.

There is, moreover, the very important item of taxation to be considered. According to the 1924 reappraisal, the value of market sites owned by the city was \$314,780 and of market buildings \$110,570, or a total valuation of \$425,350. City property is exempt from taxation, hence this item cannot properly be charged against this property. On the other hand, if these lands and buildings were privately owned they would return a considerable tax revenue to the city. Real and personal property in Columbus is now taxed at the rate of 21.8 mills on the dollar, of which 8.48 mills goes direct to the corporation. The city, therefore, would receive in taxes from these properties, if privately owned, \$3,606.97 each year, or more than twice its present net income, and at the same time would be free from the obligation of retiring a very considerable indebtedness. Other Ohio cities have encountered conditions analogous to these prevailing in Columbus.

RENTALS

The reason that some city-owned markets do not provide sufficient revenue to make them self-supporting is that rentals charged for market stalls and stands are less than vendors would have to pay for similar space in privately owned buildings. That is to say, the vendor is paying less for his space than it costs the city to provide it, and the deficiency is met from funds derived from other sources. Most of the opposition to proposed changes in municipal markets has originated with these vendors, who quite naturally will not relinquish their advantages without protest.

Rental charges vary. Prevailing rates are governed by size and location of the space occupied, by the type of stand, by the length of the market season, and by local custom. Common charges in municipal retail markets in Ohio range from \$5 to \$10 per month for a 6 by 8 ft. stand within a market house, \$2.50 to \$7.50 per month for the same amount of space outside the house but under protecting cover, and from \$1 per month up for 8 feet of unprotected curb space. In wholesale markets conducted by Ohio municipalities charges for space occupied by producers' trucks sometimes include a license fee in addition to the rental. In Columbus this fee is \$10 a year and is paid to the city. Licenses are issued only to bona fide producers. Each grower also pays a rental of \$24 to \$40 a year to the property holder in front of whose property his truck stands. In Cincinnati, where approximately three-fourths of the producers' trucks stand on a large open lot

owned by the municipality, the city collects 50 cents per day for each truck. Charges in other municipal wholesale markets in Ohio are variations of these two types.

In comparing rentals not only must the matter of relative amounts of space be reckoned, but also the question of time allowed for transacting business. It is customary to permit vendors in retail markets to occupy their stands during two or three mornings of the week and for the entire day and evening on Saturdays. Wholesale markets are usually limited to early morning hours, six days each week.

SUMMARY AND CONCLUSIONS

There were six farmer-owned produce markets in Ohio in 1928. All were stock companies rather than cooperative enterprises. All were of recent origin, the oldest having been established in 1916.

The owners of five of these markets were the growers who sell therein. All of the outstanding stock was held by producers. The stock of the sixth company was held partly by growers and partly by dealers and other individuals.

Each of the farmer-owned markets in Ohio was established for the purpose of correcting some condition or set of conditions unsatisfactory to the sellers. In each case the market superseded one or more city-owned curb markets.

All were more or less successful financially.

Three of these markets were strictly retail. The others were partly retail and partly wholesale.

Four derived their entire income from the rental of curb or booth selling spaces; the other two secured revenues partly from this source and partly from the sale of goods on commission and of goods bought for resale.

Spaces in three of these markets were rented only to growers, and in one of these three, each vendor had to be a member of the company. Spaces in the other three markets were rented to both growers and dealers.

Each of the farmer-owned markets was open three days a week. Two of these were strictly morning markets, the other four were part evening and part morning.

Each of these markets occupied an important place in the distribution of locally-grown produce in its city. Each wholesale market constituted the principal source of home-grown produce for all the area within a radius of 25 to 50 miles.

Public produce markets were maintained in 16 Ohio municipalities in 1928. There were 21 in 1924. The total number of municipal markets in the 16 cities was 29, 25 retail and 4 wholesale.

Most of these cities reported revenues greater than expenditures in connection with their market enterprises. These expenditures, however, do not take into account reserves for depreciation, interest, or taxes.

Altho definite and reliable measures of business transacted in these markets were not available, it seems evident that patronage was declining in many of them.

The usual retail municipal market of today is a traditional institution perpetuated from a time when the open market in the public square was fostered as a means of promoting direct interchange between producer and consumer, when traffic congestion had not yet appeared as a problem, when the public had not yet developed a distaste for the unsightly and unsanitary conditions so often prevailing about such a market place, when the roadside market had not yet come to appropriate a goodly portion of patronage, and when the sellers were themselves the producers of what they sold.

Public markets are of primitive origin, and some of the examples existing today in Ohio bear unmistakable evidence of that origin. On the other hand, those that have been wisely developed and carefully managed have continued to hold an important place in the modern system of complex distribution in their respective communities. Others might well pattern after these examples. The principal reason for the continued existence of many municipal markets in their present antiquated form lies in the lack of leadership and initiative in undertaking a change to more modern methods and facilities.

Street-curb markets are rapidly becoming relics of the past. Increasing traffic congestion in city streets, coupled with a desire on the part of buyers and sellers for better protection from the elements and for improved sanitary conditions, has in many places forced the abandonment of these markets or the substitution of some type of covered market place, located where it interferes as little as possible with traffic.

Where farmer-owned markets have been substituted for municipal markets in Ohio cities marketing conditions for both buyers and sellers have been improved.